

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott
Ellen Gavin
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from the Lake Park Exchange to the
Detroit Lakes Exchange and the
Moorhead/Fargo Calling Area

ISSUE DATE: December 2, 2002

DOCKET NO. P-420, 421/CP-02-336

ORDER DENYING PETITION AND
CLOSING DOCKET

PROCEDURAL HISTORY

On March 12, 2002, telephone subscribers in the Lake Park exchange filed a petition for extended area service (EAS) to the Detroit Lakes exchange and to the Moorhead-Fargo local calling area. The Lake Park exchange is served by Loretel Systems; the Detroit Lakes exchange and the Moorhead-Fargo local calling area are served by Qwest Corporation.

On July 5, 2002, Loretel Systems filed comments in response to a request from the Department of Commerce for traffic studies on the proposed EAS routes. Loretel explained that the Moorhead-Fargo toll-free calling area is an interstate calling area that does not operate identically to Minnesota's local calling areas; that eight of the ten smaller exchanges within the calling area do not have EAS to one another; and that these eight exchanges should therefore not be treated as part of the calling area for EAS and traffic study purposes.

The Department concurred and directed that only the two exchanges that would be included within the local calling area under Minnesota standards – Glyndon and Hawley – should be included in traffic studies.

On July 23, July 26, and September 5, 2002, Loretel filed traffic studies detailing monthly calling volumes from Lake Park to Detroit Lakes and from Lake Park to the Moorhead-Fargo local calling area, including Hawley and Glyndon.

On October 17, 2002, the Department of Commerce filed comments stating that both the Lake Park-Detroit Lakes route and the intrastate portion of the Lake Park-Moorhead-Fargo route failed to meet Minnesota's EAS traffic requirements. The Department stated that, while the interstate

Lake Park-Moorhead-Fargo route met Minnesota's traffic requirements, it was unlikely to meet North Dakota's. The agency therefore recommended denying the petition and closing the docket unless Qwest's traffic studies, soon to be filed, showed that the interstate route in fact met North Dakota's EAS traffic requirements.

On October 31, 2002, Qwest filed its traffic studies, which showed that the interstate route did not meet North Dakota's EAS traffic requirements. Those requirements, which appear in Qwest's North Dakota tariffs, require both petitioning and non-petitioning exchanges or local calling areas to meet threshold traffic requirements; Minnesota requires only the petitioning exchange to meet these requirements.

On November 21, 2002, the petition came before the Commission.

FINDINGS AND CONCLUSIONS

I. The Legal Standard

Extended area service is a service arrangement permitting neighboring telephone exchanges to become a single local calling area with toll-free calling. The criteria for establishing EAS routes and the procedures for determining EAS costs were set by Commission Orders following an industry-wide fact-finding and policymaking proceeding.¹ Briefly, these criteria and procedures are as follows:

- (1) A petitioning exchange must be adjacent to the exchange or local calling area to which it seeks EAS.
- (2) At least 50% of subscribers in the petitioning exchange must make at least three calls per month to the exchange or local calling area to which EAS is sought.
- (3) The companies serving the two exchanges or local calling areas must determine the cost of installing and operating the proposed EAS route, using Commission-approved costing methods, and file proposed rate additives to recover these costs.

¹ In the Matter of an Investigation into the Appropriate Local Calling Scope, in Accordance with Minn. Stat. § 237.161, Docket No. P-999/CI-94-296, ORDER REACTIVATING THE PROCESSING OF EAS PETITIONS (October 24, 1995) and ORDER AFTER RECONSIDERATION (February 23, 1996).

- (4) The Commission must poll subscribers in the petitioning exchange on whether they want EAS at the rates adopted by the Commission.
- (5) If 50% of the subscribers responding to the poll vote yes, the EAS route must be installed.

II. Commission Action

The traffic studies filed in this case demonstrate that only one of the proposed EAS routes (Lake Park-Moorhead-Fargo) meets the traffic requirements of Minnesota law and that that route, an interstate route that requires the approval of the North Dakota Commission, does not meet North Dakota's traffic requirements. The route therefore cannot be installed.

The Commission will therefore deny the petition and close this docket.

ORDER

1. The petition for extended area service from the Lake Park exchange to the Detroit Lakes exchange and the Moorhead-Fargo local calling area is denied.
2. This docket is hereby closed.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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